

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Drilling of oil well State 42X-36	Proposed Implementation Date: Winter-Spring 2012
Proponent: XTO Energy Inc. 7114 West Jefferson Avenue, Suite 305, Denver, Colorado 80235	
<p>Type and Purpose of Action: The applicant proposes to drill an exploratory oil well on deeded land with State of Montana minerals. The oil well is identified as State 42X-36 under Oil & Gas Lease No. OG-39857-10. The access road will be located starting at the county and go directly west along a quarter section line to the well site location. The distance from the county road to the well pad on the proposed access road is 157 feet. This type of access is the shortest route to the well site location and will not require the oil well driller to place culverts or other water flow through devices in the county road ditch or along the quarter section line. The road will be kept to a minimum width of 20 feet. The drill pad will be 4.45 acres in size according to Department of Natural Resources and Conservation GPS survey of staked well site. Attached to this document are copies of aerial photos and topographic maps showing well pad site. The drilling rig will be a rotary table derrick rig, drilling a single lateral horizontal into the Bakken formation.</p>	
Location: SE4NE4, Section 36 Township 28 North Range. 57 East	County: Roosevelt

I. PROJECT DEVELOPMENT

<p>1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.</p>	<p>XTO Energy Incorporated contacted the Department of Natural Resources and Conservation, Helena Office, Minerals Management Bureau. Julie David Supervisor Minerals Management Bureau contacted the Glasgow Unit Office to do the Environmental Assessment of the well drilling. XTO Energy Incorporated has applied for a permit to construct a well pad and access road and drill an exploratory oil well on deeded land with State of Montana mineral ownership. Randy Dirkson, Land Use Specialist for the Department of Natural Resources and Conservation (DNRC) contacted the surface land owner Dustin Harmon concerning the well drilling project on his surface ownership. Dustin Harmon had some concerns about the well pad location and in general did not want to have XTO Energy Incorporated drill on this tract of land. Mr. Harmon explained that the drill pad area receives runoff moisture from a large area of land located southeast of the drill pad location. The surface water runoff southeast of the well pad location provides water to large wetlands located one-half to three-quarters mile west of well pad location. Mr. Harmon also said that a small drainage on the property would also be impacted by the well pad construction. The well pad construction would not allow surface water runoff to flow on the drainage. There would then be water build up on the east side of the well pad. Mr. Harmon will be sending Randy Dirkson, DNRC, land Use Specialist, Glasgow Unit Office an e-mail that will describe his concerns in more detail. The e-mail will be attached to this document in hard copy for Helena Office review.</p>
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2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:	The other agencies that would have jurisdiction for this type of project would be the Montana Board of Oil and Gas Conservation, 2535 St Johns Avenue, Billings Montana 59102, United State Department of Agriculture, Farm Service Agency, Culbertson Montana, 59218.
3. ALTERNATIVES CONSIDERED:	<p>Action Alternative: Grant a well drilling permit to XTO Energy Incorporated to build an access road, well pad and drill an exploratory oil well on deeded land. .</p> <p>No Action Alternative: Deny a well drilling permit to XTO Energy Incorporated to build an access road, well pad and drill an exploratory oil well on deeded land.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	POTENTIAL IMPACTS
4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compatible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations?	<p>Action Alternative: The soils on the access road and drill pad will be disturbed. The topsoil will be pushed to the edge of the access road and used as a berm until road reclamation occurs. The topsoil will be stockpiled on the edges of the oil well pad and used during the reclamation process. The Glasgow Unit Office will develop an extensive reclamation plan that will replace topsoil on all disturbed areas. The road location will cross fairly flat terrain and there is no expected soil loss to occur from runoff. The access road will be located on tract to allow for the shortest distance from the county road to the well site. The soil types that will be disturbed by this project are sandy loams and sands.</p> <p>No Action Alternative: This alternative will have no impacts to the soil types on the State land.</p>
5. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?	<p>Action Alternative: This type of project on State land will not impact the water quality, quantity and distribution. There are no surface water ponding areas located on or near the proposed well drilling site. There is a minor drainage located on the well pad site that will be impacted. The drainage has a very slight slope of 1 to 2 percent. There would be minimal to non-existent concern for surface water runoff erosion. This is based on the fact that there is no culvert for drainage located on the county road. Human water drinking sources are located over one-quarter mile north from the project location.</p> <p>Mitigation: The oil well drilling stipulations will contain a requirement that if surface runoff builds up next to the well pad. The oil company will be required to have heavy equipment drain the surface water away from the well pad site.</p> <p>No Action Alternative: This alternative will</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
	have no impacts to the water quality, quantity and distribution.
6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?	<p>Action Alternative: This type of project on the State land will have minimal impacts to the air quality. The large diesel engines used for the well drilling process will cause some pollutants to become airborne at the well drilling site. The immediate well drilling pad site will be impacted by the air borne pollutants. There will also be some dirt particulate to become air borne during the construction of the well pad site. The air borne dirt particulate will remain in the vicinity of the well pad area.</p> <p>No Action Alternative: There would be no impacts to the air quality on the State land under this alternative.</p>
7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present?	<p>Action Alternative: The area of impact has tall wheatgrass for surface vegetation. The project area is currently enrolled in the conservation reserve program. The area of impact has a very well established stand of tall wheatgrass. The surface topsoil will be restored upon well abandonment, through the reclamation plan developed by Glasgow Unit Office for this tract of State land. This action will improve the reclamation capabilities to reestablish the area of impact back to the production of a tall wheatgrass plant community.</p> <p>No Action Alternative: There would be no impacts to the native rangeland vegetation under this alternative.</p>
8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish?	<p>Action Alternative: The project area and the surrounding land contain a multitude of habitat types for wildlife, upland birds, waterfowl and song birds. The project area is not large and expected impacts will be no impacts to very minimal impacts to habitat resources of the deeded land. Impacts to the habitat for wildlife, upland birds and song birds are not dependent on the time period that the well pad construction and drilling will occur. At the time of writing this environmental assessment, the project will occur long before nesting of upland birds, song birds and waterfowl is started and completed. There will be no impacts to the whitetail deer population as the well drilling will be done before June when whitetail fawns are born.</p> <p>No Action Alternative: There will be no impacts to the wildlife habitat types associated with the State land under this alternative.</p>
9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern?	<p>Action Alternative: The area of impact contains no known unique, endangered, fragile or limited environmental resources. The on site inspection of the project area showed that the nearest wetlands area is located at least one-half to three-quarters mile from the project land.</p> <p>No Action Alternative: There will be no impacts to the environmental resources of the State</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
	land under this alternative.
10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	<p>Action Alternative: The deeded land was inspected for historical or archaeological sites by Randy Dirkson, Land Use Specialist for the Glasgow Unit Office of the Department of Natural Resources and Conservation. Mr. Dirkson found no evidence of historical or archaeological sites on the access road or drill pad area. Previous disturbances of the soil surface by production of small grain crops greatly reduced the possibility of finding historic or archaeological sites on this tract of land. This tract currently contains a tall wheatgrass plant community, enrolled in the conservation reserve program.</p> <p>No Action Alternative: There would be no impacts to the historical or archaeological sites under this alternative.</p>
11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light?	<p>Action Alternative: This type of project on this tract of land will have minimal impacts to the aesthetics of the state land. The project area is located in a rural area consisting of dryland agriculture for small grain crops, dryland hay production and tame and native grass land for livestock grazing. The nearest homesite to the project area is one quarter mile north of the project site. The nearest town site to the project area is Bainville, which is located five to six miles northeast of the project area.</p> <p>No Action Alternative: There would be no impacts to the aesthetics under this alternative.</p>
12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project?	<p>Action Alternative: This type of project on this tract of land will place no demands on the environmental resources of land, water, air or energy. The current use for this tract of land that the project will be located on is conservation reserve program acreage.</p> <p>No Action Alternative: Under this alternative there will be no demands on environmental resources of land, water, air or energy.</p>
13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?	<p>Action Alternative: This type of project on this tract of land will not impact other studies, plans or projects that owner Dustin Harmon may have occurring on the land. The project will have minimal impacts to the conservation reserve program acreage around well site. There will also be no impacts to the surrounding deeded lands.</p> <p>No Action Alternative: There would be no impacts to other environmental documents pertinent to the State land under this alternative.</p>
III. IMPACTS ON THE HUMAN POPULATION	

RESOURCE	POTENTIAL IMPACTS AND MITIGATION MEASURES
<p>14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?</p>	<p>Action Alternative: This type of project on State land has various human health and safety risks. The risks are understood by the employer and employee as occupational hazards in oil well pad construction and oil well drilling. The impacts will be mitigated by the use of a skilled professional work force with experience in drilling oil wells. The project will have no impacts on human health or safety on lands that surround the project area.</p> <p>No Action Alternative: There would be no impacts to human health or safety risks under this alternative.</p>
<p>15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?</p>	<p>Action Alternative: The project will have minimal impact to the current use of conservation reserve program land use. The use on the surrounding land next to the project area is dryland agriculture and rangeland for livestock grazing. The project will have no impacts to the surrounding landowner's activities on deeded lands.</p> <p>No Action Alternative: There would be no impacts to industrial, commercial and agricultural activities under this alternative.</p>
<p>16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.</p>	<p>Action Alternative: The project will have no impacts on the quality and quantity and distribution of employment. Jobs for this project are on going with companies that will be used for the access road, well pad construction and well drilling process.</p> <p>No Action Alternative: There would be no impacts to quantity and distribution of employment under this alternative.</p>
<p>17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?</p>	<p>Action Alternative: The project will have no impacts on the local and state tax base and tax revenues. Should the oil well drilling project be successful, there may be tax revenues that the writer of this document is not aware of.</p> <p>No Action Alternative: There would be no impacts to local or state tax base under this alternative.</p>
<p>18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?</p>	<p>Action Alternative: The project will place no demands for government services. If the oil well is successful there may be future additional traffic on county roads. The additional traffic would be from tanker trucks that would remove the oil from the land. There would also be additional well site traffic from company repair personnel who inspect oil wells on a daily basis.</p> <p>No Action Alternative: There would be no demand for government services under this alternative.</p>
<p>19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?</p>	<p>Action Alternative: The project will not impact locally adopted environmental plans and goals. If the oil well drilling project is successful and oil pumping occurs on this tract of deeded</p>

	<p>land. Well site management would be handled by the Department of Natural Resources and Conservation, Oil and Gas Division. This management plan would address well production and maintenance of the well site facilities.</p> <p>No Action Alternative: There would be no impacts to the locally adopted plans or goals under this project.</p>
<p>20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?</p>	<p>Action Alternative: The area of impact has minimal recreational values such as hunting upland birds. The project is short term and there will be no impacts to the recreational values associated with this tract of deeded land. If the oil well drilling project is successful, there would be some minor impacts to the future hunting activities on a small portion of this land. This impact to recreational hunting would primarily be located on the SE4NE4, the location of the oil well.</p> <p>No Action Alternative: There would be no impacts to recreational activities under this alternative.</p>
<p>21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?</p>	<p>Action Alternative: The project will not impact the density and distribution of population and housing. Housing for the well drilling crews will be provided by the well drilling company on site or at the nearest town site.</p> <p>No Action Alternative: There would be no impacts to density and distribution under this alternative.</p>
<p>22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?</p>	<p>Action Alternative: The project will not disrupt the traditional lifestyles of the local community. The project is located in a rural area that has seen some influx in population with the increased oil activities. The project will impact local farm or ranch lifestyles associated with this area.</p> <p>No Action Alternative: There would be no impacts to the traditional lifestyles under this alternative.</p>
<p>23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?</p>	<p>Action Alternative: The project will not impact the cultural uniqueness and diversity of the area. The project will not impact surrounding native and tame grass rangeland habitats or dryland agricultural activities associated with this area of Roosevelt County.</p> <p>No Action Alternative: There would be no impacts to the cultural, uniqueness and diversity under this alternative.</p>
<p>24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:</p>	<p>Action Alternative: The project will benefit the XTO Energy Incorporated for the production and sale of oil. The project will also provide additional revenue to the School trust from oil well production royalties. The surface owner will be compensated for the surface damages to his lands for the well pad and access road.</p> <p>No Action Alternative: There would be no impacts to the social and economic</p>

